



**For Immediate Release**  
**September 22, 2003**

**PORT AUTHORITY COMMISSION DELIVERS CONTRACT AWARDS AND AMENDMENTS FOR SECURITY, ELECTRIC POWER, OTHER MATTERS**

HOUSTON – The Port of Houston Authority (PHA) Commission approved several recommendations involving contract awards, bids and proposals, professional services and general administrative and operational matters during its meeting on Monday, September 22. Chairman Jim Edmonds presided.

**Security Matters**

The commission approved a recommendation to amend CH2MHILL’s contract to conduct a security risk assessment. The amendment will provide an additional \$19,500 for CH2MHILL to expand its present scope of work to include modifying PHA’s security plans to conform to recent changes in U.S. Coast Guard regulations. Additionally, CH2MHILL will conduct an assessment of PHA’s Galveston Container Terminal.

Under its \$300,000 contract awarded last year, CH2MHILL is assessing and making recommendations related to physical risk, entry/exit controls, building access controls, property protection, site safeguards, security plans, policies and procedures for protection strategies at all PHA facilities. PHA allocated part of a \$1.8 million grant from the U.S. Transportation Security Administration (TSA) and the Maritime Administration (MARAD) to cover the cost of the assessment. The remaining \$1.5 million was allocated toward the initial design and development of PHA’s state-of-the-art emergency command center.

In a related matter, the commission approved a recommendation to award the command center construction contract to BAE Systems. The estimated \$3,786,220 contract cost is expected to be covered by forthcoming security grants from the U.S. Department of Homeland Security (DHS) and the Office of Domestic Preparedness. The grants were announced in June. PHA had originally applied for approximately \$13 million in port security grant funds for a cohesive security program involving surveillance, technology, infrastructure, personnel training, rapid response, and communications equipment to secure the port.

**Purchase of Deregulated Electric Power**

The commission approved a recommendation for PHA to execute a contract to purchase deregulated electric power from with the Texas General Land Office (GLO) at an estimated cost of \$9 million for up to three years.

Reliant Energy Solutions LLC previously provided electric service to PHA. Since its contract ended on June 30, Reliant continued to provide month-to-month service while PHA negotiated with the other providers.

## **Houston Galveston Navigation Channels Joint Venture**

The commission approved a recommendation authorizing an estimated \$6,705,564 amendment to the joint venture contract for engineering, construction management and environmental monitoring services related to the Houston Galveston Navigation Channels.

With the completion of initial construction, the PHA will be responsible for the beneficial use sites and the implementation of the M3 Plan (monitoring, management, and maintenance), for which the joint venture's services will be required. Additionally, as part of its cost-sharing agreement in support of the ship channel project, PHA is expected to acquire and develop a new upland dredged material disposal site. The estimated cost for designing the site is included in the proposed contract amendment.

The channel project schedule has been extended and the first maintenance cycle has been added based on the overlap of activities with the completion of the widening and deepening. The joint venture's services will be required during this time to support the PHA's participation on the project.

Since initiating a joint venture contract with the U.S. Army Corps of Engineers in 1991, PHA has been monitoring and evaluating the national economic development plan being prepared by the corps for the channels. The agreement has been amended several times to accommodate the Corps' requests for PHA to participate in additional projects and services – including design of the demonstration marsh, design and construction management of the environmental restoration and oyster mitigation, and extensive surveying, geotechnical, quality assurance and design reviews. The Corps has also requested joint venture participation in the inspection services provided on all channel construction projects.

## **Intergovernmental Agreements**

The commission approved two recommendations that will allow the city of LaPorte to continue providing ambulance and fire protection services to PHA's Barbour's Cut Container Terminal at total costs of \$38,856 and \$32,688, respectively, for one year beginning October 1. PHA expects to pay monthly installments -- \$3,238 for ambulance and \$2,724 for fire protection.

## **Pipeline Installation**

The commission approved a recommendation for PHA to issue a license allowing Shell Chemical Company to install a feedstock pipeline within the Shell Deer Park manufacturing complex near Shell Dock Road and State Highway 225. The four-inch pipeline is expected to run along an existing piperack located over and across PHA's southside main line tracks.

## **Bayport Matters**

The commission approved recommendations to award contracts to Cherry Demolition, Inc. and JWD Group for work related to the proposed Bayport Container and Cruise Terminal. Cherry Demolition was awarded a contract to clear the site for Phase 1A of the Bayport project. The estimated amount of the contract is \$310,591. JWD Group was awarded an estimated \$1,462,200 contract to provide architectural and engineering services for the development of the marine terminal gate facility at Bayport, including topographic and geotechnical surveys and the development of designs for road pavement, drainage, gate and support facilities. JWD is also expected to prepare the request for proposals (RFP) documents for the Bayport gate control system.

“Although no work will be performed and no spending will be authorized until and unless the U.S. Army Corps of Engineers approves the project, executing these contracts now will save time when we are authorized to begin construction,” stated Chairman Edmonds.

The commission approved a proposal granting Lockwood, Andrews & Newnam, Inc. an extension on its program management contract for Bayport Phase 1A. Because of project delays since the contract was awarded last November, LAN has only completed 35 percent of its scope of work, which mainly involves providing technical support for Bayport’s legal, planning and environmental issues. As a remedy, LAN will add four months to the contract and reallocate funds to cover the costs of the extension.

The U.S. Army Corps of Engineers released its Bayport FEIS on May 16, opening an initial public comment period that closed on July 16. In August, the Corps issued a new public notice with a 30-day public comment period on two new components of PHA’s mitigation plan involving the preservation of 456 acres on the lower San Jacinto River and 500 acres on the Katy Prairie. In response to previous comments from resource agencies and citizens, PHA expects these additions to fully compensate for habitat and other ecological values that are perceived to exist on the Bayport property. The public comment period closed September 12.

Later this month, the Corps is expected to complete its record of decision, which will determine whether the Bayport permit will be issued or denied. The Corps’ permit decision is expected to be announced in October.

The commission has authorized legal counsel to intervene in the pending federal court lawsuit filed against the Corps in June by attorney Jim Blackburn on behalf of the City of Shoreacres and other local organizations. While the lawsuit is related to PHA’s proposed Bayport Container and Cruise Terminal, it does not specifically name PHA as a defendant. The lawsuit contends that the Corps’ delineation of jurisdictional wetlands is improper and that the Corps should release a supplemental environmental impact statement (SEIS) on the Bayport project.

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*The Port of Houston Authority owns and operates the public facilities located along the Port of Houston, the 25-mile long complex of diversified public and private facilities designed for handling general cargo, containers, grain and other dry bulk materials, project and heavy lift cargo, and other types of cargo. Each year, more than 6,600 vessels call at the port, which ranks first in the U.S. in foreign waterborne tonnage, second in overall total tonnage, and sixth largest in the world. The Port Authority plays a vital role in ensuring navigational safety along the Houston Ship Channel, which has been instrumental in Houston’s development as a center of international trade. The Barbours Cut Container Terminal and Central Maintenance Facility are the first of any U.S. port facilities to develop and implement an innovative Environmental Management System that meets the rigorous standards of ISO 14001. Additionally, the port is an approved delivery point for Coffee “C” futures contracts traded on the New York Board of Trade’s Coffee, Sugar & Cocoa Exchange. For more information, please visit [www.portofhouston.com](http://www.portofhouston.com)*